



Digital Transformation, Fintech Utilization, Digital Financial Literacy, and Financial Sustainability of Culinary MSMEs

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Abstract

This study aims to analyze the effect of digital transformation and fintech utilization on the financial sustainability of culinary micro, small, and medium enterprises (MSMEs), with digital financial literacy as a mediating variable. This research employed a quantitative explanatory approach involving 250 MSME owners and financial managers in Salatiga, Semarang, and Rembang. Data were collected through structured questionnaires and analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). The results indicate that digital transformation and fintech utilization have positive and significant effects on digital financial literacy. Furthermore, digital financial literacy significantly influences the financial sustainability of culinary MSMEs. The findings also confirm that digital financial literacy plays an important mediating role in strengthening the relationship between technology adoption and financial sustainability. These results suggest that technology adoption becomes more effective when supported by adequate financial knowledge and digital skills. This study provides practical implications for policymakers and MSME practitioners to strengthen digital and financial literacy programs in order to enhance sustainable business performance.

Transformasi Digital, Pemanfaatan Fintech, Literasi Keuangan Digital, dan Keberlanjutan Keuangan UMKM Kuliner

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh transformasi digital dan pemanfaatan fintech terhadap keberlanjutan keuangan usaha mikro, kecil, dan menengah (UMKM) kuliner dengan literasi keuangan digital sebagai variabel mediasi. Penelitian ini menggunakan pendekatan kuantitatif eksplanatori dengan melibatkan 250 responden yang terdiri atas pemilik dan manajer keuangan UMKM di Salatiga, Semarang, dan Rembang. Data dikumpulkan melalui kuesioner terstruktur dan dianalisis menggunakan Partial Least Squares-Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa transformasi digital dan pemanfaatan fintech berpengaruh positif dan signifikan terhadap literasi keuangan digital. Selanjutnya, literasi keuangan digital berpengaruh signifikan terhadap keberlanjutan keuangan UMKM kuliner. Temuan penelitian juga mengonfirmasi bahwa literasi keuangan digital berperan penting sebagai variabel mediasi dalam memperkuat hubungan antara adopsi teknologi dan keberlanjutan keuangan. Hasil ini menunjukkan bahwa adopsi teknologi akan lebih efektif apabila didukung oleh pengetahuan keuangan dan keterampilan digital yang memadai. Penelitian ini memberikan implikasi praktis bagi pembuat kebijakan dan pelaku UMKM dalam memperkuat program literasi digital dan keuangan guna meningkatkan kinerja usaha yang berkelanjutan.

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INTRODUCTION

Culinary micro, small, and medium enterprises (MSMEs) play a strategic role in Indonesia's economic development as major contributors to employment, household income, and the creative economy sector (OJK, 2025). This sector supports tourism activities, local supply chains, and community welfare. However, despite their significant contribution, many culinary MSMEs continue to face financial instability, limited access to capital, and low productivity, particularly in the context of rapid technological change and increasing market competition (Pratama et al., 2023; Raihan, 2024).

Recent data indicate that more than 90% of Indonesian MSMEs have adopted digital payment systems, yet fewer than 60% are able to utilize digital platforms effectively for financial management and strategic business planning (OJK, 2025). In the culinary sector, these challenges are further intensified by narrow profit margins, fluctuating raw material prices, and high operational costs. As a result, many business owners experience difficulties in maintaining sustainable financial performance. These conditions highlight the urgent need to strengthen digital capabilities and financial competencies among culinary MSMEs.

The acceleration of digital transformation has fundamentally reshaped business operations by integrating digital technologies into production, marketing, and financial management processes (Vial, 2019; Awad & Rojas, 2024). For culinary MSMEs, digital platforms, online delivery services, and cashless payment systems provide opportunities to expand market access, improve operational efficiency, and strengthen customer relationships (Lombardi, 2023). Nevertheless, empirical studies indicate that limited infrastructure, inadequate digital skills, and low financial literacy remain major barriers to effective technology utilization (Indriastuti & Kartika, 2022).

In parallel, financial technology (fintech) has emerged as a key driver of financial inclusion by providing easier access to payments, financing, and financial management services (Sipayung, 2025). Fintech adoption has been shown to improve liquidity management and reduce transaction costs (Hmoud et al., 2025). However, several studies report that low financial literacy and limited understanding of digital risks often result in inefficient fintech utilization, thereby increasing financial vulnerability among small business owners (Masdupi, 2024; Martin et al., 2025).

Digital financial literacy is therefore recognized as a critical capability that connects digital transformation and fintech utilization with financial sustainability. It reflects entrepreneurs' ability to understand, evaluate, and apply digital financial tools in making strategic business decisions (Lusardi & Mitchell, 2023). In the context of culinary MSMEs, which are characterized by narrow profit margins and unstable input prices, strong digital financial literacy supports effective cash flow management, cost control, and investment planning, which are essential for long-term business continuity (Pratama et al., 2023; Raihan, 2024).

Although previous studies have extensively examined digital transformation, fintech adoption, and financial literacy in the MSME context, several limitations remain. Most existing research has investigated these variables separately or has focused primarily on their direct effects on business performance (Indriastuti & Kartika, 2022; Sipayung, 2025). Only a limited number of studies have integrated these dimensions into a unified analytical framework, particularly by analyzing digital financial literacy as a mediating mechanism between technology adoption and financial sustainability. Moreover, empirical evidence focusing specifically on culinary MSMEs in Indonesia remains scarce, despite the sector's strategic importance.

These limitations indicate that previous studies have not sufficiently explained how digital and financial capabilities interact in shaping sustainable financial performance among culinary MSMEs. As a result, the existing literature provides an incomplete understanding of the mechanisms through which technology adoption contributes to long-term business resilience. Therefore, this study offers novelty by developing an integrated analytical framework that simultaneously examines digital transformation, fintech utilization, digital financial literacy, and financial sustainability within a single model. Unlike prior research, this study emphasizes digital financial literacy as a key mediating variable that links technological adoption with financial outcomes in the culinary MSME sector.

Based on this background, this study aims to: (1) analyze the effect of digital transformation on the financial sustainability of culinary MSMEs; (2) examine the influence of fintech utilization on financial sustainability; (3) investigate the impact of digital transformation and fintech utilization on digital financial literacy; and (4) evaluate the mediating role of digital financial literacy in the relationship between technology adoption and financial sustainability.

Hypothesis Development

Digital Transformation and Financial Sustainability

Digital transformation refers to the strategic integration of digital technologies into organizational processes, structures, and business models to improve performance and competitiveness (Vial, 2019). From the perspective of the Resource-Based View (RBV), digital capabilities are considered valuable, rare, and difficult-to-imitate organizational resources that can generate sustainable competitive advantage and long-term financial performance (Barney, 1991). In culinary MSMEs, digital platforms, online marketing systems,

and digital financial applications function as strategic resources that enhance operational efficiency and market responsiveness.

In addition, Dynamic Capability Theory emphasizes the ability of firms to integrate, build, and reconfigure internal and external competencies in response to environmental changes (Teece, 2018). Digital transformation enables MSMEs to develop dynamic capabilities by continuously adapting business processes, customer engagement strategies, and financial management systems. This adaptive capability is essential for maintaining financial stability in highly competitive and uncertain market environments.

Through the development of digital resources and dynamic capabilities, MSMEs are better able to reduce operational costs, improve revenue management, and respond effectively to market fluctuations (Indriastuti & Kartika, 2022; Awad & Rojas, 2024). Empirical studies also confirm that digital transformation enhances business resilience, financial transparency, and long-term profitability (Raihan, 2024; Hmoud et al., 2025). In the culinary sector, where profit margins are relatively low and competition is intense, digital technologies such as online ordering systems, digital payments, and cloud-based accounting tools play a crucial role in strengthening financial sustainability. Based on these theoretical and empirical arguments, digital transformation is expected to have a significant positive effect on the financial sustainability of culinary MSMEs.

H1: Digital transformation has a positive effect on financial sustainability

Fintech Utilization and Financial Sustainability

From the perspective of Financial Intermediation Theory, fintech reduces information asymmetry and transaction costs between financial service providers and users, thereby improving access to

financial resources for small businesses (Gomber et al., 2017). For MSMEs, fintech platforms function as alternative financial infrastructures that support efficient payment processing, financing, and financial management.

Furthermore, according to the Technology Acceptance Model (TAM), perceived usefulness and perceived ease of use encourage entrepreneurs to adopt digital financial services, which subsequently enhances business performance (Davis, 1989). When MSME owners perceive fintech services as beneficial and user-friendly, they are more likely to integrate them into daily business operations.

In culinary MSMEs, fintech utilization facilitates real-time transaction recording, improves cash flow monitoring, and accelerates access to working capital. These advantages strengthen liquidity management and reduce financial risks. Empirical evidence confirms that fintech adoption improves financial transparency and operational efficiency, leading to greater financial sustainability (Indriastuti & Kartika, 2022; Hmoud et al., 2025). Based on these theoretical and empirical perspectives, fintech utilization is expected to positively influence financial sustainability.

H2: Fintech utilization has a positive effect on financial sustainability

Digital Transformation and Digital Financial Literacy

According to Experiential Learning Theory, individuals develop knowledge and skills through continuous interaction with their environment (Kolb, 2006). Digital transformation exposes MSME owners to digital platforms, financial applications, and online transaction systems, thereby creating learning opportunities that enhance digital financial competencies. In addition, Social Cognitive Theory emphasizes that learning occurs through observation, practice, and self-efficacy development (Bandura, 1986). As entrepreneurs engage with digital systems, they gradually build confidence and competence in managing

digital financial tools.

Digital transformation also aligns with Human Capital Theory, which views skills and knowledge as strategic assets that enhance productivity and performance (Becker, 1975). Through technology adoption, MSME owners invest in their digital and financial capabilities, thereby strengthening their human capital. Previous studies indicate that technology adoption significantly improves users' financial knowledge and digital awareness (Masdupi, 2024; Hmoud et al., 2025). Therefore, digital transformation is expected to enhance digital financial literacy.

H3: Digital transformation has a positive effect on digital financial literacy

Fintech Utilization and Digital Financial Literacy

The Diffusion of Innovation Theory explains how new technologies spread through social systems based on perceived advantages, compatibility, and complexity (El Malouf & Bahemia, 2025). Fintech platforms encourage learning by providing user-friendly interfaces and interactive financial features.

Furthermore, Self-Efficacy Theory suggests that repeated successful experiences with digital tools strengthen individuals' confidence in managing financial technologies (Bandura, 1986). Frequent fintech usage enables MSME owners to develop familiarity with digital transactions, online financing, and financial risk management. The Financial Capability Framework also emphasizes that access to financial services combined with learning experiences improves financial knowledge and behavior (Grohmann & Menkhoff, 2020).

Through continuous interaction with fintech applications, entrepreneurs gain practical understanding of financial concepts and digital risks. Empirical studies support that regular fintech usage enhances financial competence and digital awareness (Ryu, 2018; Morgan & Trinh, 2020; Pradnyani & Putri, 2024). Hence, fintech

utilization is expected to positively affect digital financial literacy.

H4: Fintech utilization has a positive effect on digital financial literacy

The Mediating Role of Digital Financial Literacy

According to the Knowledge-Based View (KBV), organizational performance is strongly influenced by the ability to create, integrate, and apply knowledge effectively (Grant, 1996). Digital financial literacy represents a critical form of knowledge that enables MSME owners to transform technological resources into productive financial outcomes. In addition, Capability-Based Theory emphasizes that firms achieve sustainable performance when resources are supported by appropriate managerial and cognitive capabilities (Teece, 2018). Digital financial literacy functions as a capability that allows entrepreneurs to utilize digital transformation and fintech resources efficiently.

Financial Literacy Theory also suggests that financial knowledge improves decision quality and risk management, leading to better long-term performance (Lusardi & Mitchell, 2014). Without sufficient literacy, technological adoption may not generate optimal financial benefits. Therefore, digital financial literacy acts as a mediating mechanism that translates digital transformation and fintech utilization into financial sustainability.

H5: Digital financial literacy mediates the relationship between digital transformation, fintech utilization, and financial sustainability

METHOD

Research Design

This study employed a quantitative explanatory research design to examine the causal relationships among digital transformation, fintech utilization, digital financial literacy, and the financial sustainability of culinary micro, small, and medium enterprises (MSMEs) in Indonesia.

This approach was selected because it allows for hypothesis testing and the identification of cause-and-effect relationships among research variables (Sarstedt et al., 2021). The conceptual framework was developed based on Sustainability Theory (Elkington, 1998), Digital Transformation Theory (Vial, 2019), Financial Literacy Theory (Lusardi & Mitchell, 2023).

Population and Sample

The population of this study consisted of culinary MSMEs operating in Salatiga, Semarang, and Rembang. These regions were selected because they represent areas with high MSME activity and increasing adoption of digital business practices.

A purposive sampling technique was applied to select respondents who met the following criteria: (1) MSME owners or financial managers, (2) had been operating their businesses for at least two years, and (3) actively used digital financial services such as QRIS, e-wallets, or fintech-based financing.

A total of 250 respondents participated in this study. This sample size meets the minimum requirements for Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis, as recommended by Hair et al. (2019).

Types and Sources of Data

This study used both primary and secondary data. Primary data were obtained directly from respondents through structured questionnaires. Secondary data were collected from official publications of the Central Statistics Agency (BPS), the Financial Services Authority (OJK), and the Ministry of Cooperatives and MSMEs to support and contextualize the primary findings.

Data Collection Techniques

Data were collected between April and June 2025 using both online and offline methods. Online questionnaires were distributed via Google Forms, while offline

ne surveys were administered directly to respondents at selected business locations.

Prior to the main survey, a pilot test involving 30 MSME owners was conducted to evaluate the clarity, reliability, and validity of the questionnaire items. Respondents were informed about the purpose of the study, and the confidentiality of their responses was guaranteed to ensure ethical compliance and data accuracy.

Measurement of Variables

All variables were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Measurement instruments were adapted from previous validated studies and adjusted to the context of culinary MSMEs.

Digital Transformation was measured using indicators related to the use of digital tools for operations, online marketing, digital financial systems, and process automation (Faruque & Chowdhury, 2024; Seppänen et al., 2025). Fintech Utilization was measured based on the frequency and intensity of using digital payment systems, mobile banking, peer-to-peer lending, and financial management applications (Sipayung, 2025). Digital Financial Literacy was measured using indicators of financial knowledge, technical competence, confidence in using digital financial services, and awareness of digital financial risks (Indriastuti & Kartika, 2022; Imjai et al., 2025). Financial Sustainability was measured using indicators of income stability, cost efficiency, reinvestment capacity, and business resilience (Heliani & Iskandar, 2024; Safira et al., 2025).

Data Analysis Techniques

Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS version 4.0. This method was selected because it is suitable for complex models involving multiple constructs and does not require strict assumptions of data normality (Hair et al., 2019).

The analysis process consisted of two main stages. First, the measurement model was evaluated through reliability and validity testing, including Cronbach's alpha, Composite Reliability, Average Variance Extracted (AVE), and factor loadings. Second, the structural model was assessed by examining path coefficients, coefficients of determination (R^2), effect sizes (f^2), and mediation effects using bootstrapping procedures.

Validity and Reliability

Construct validity and reliability were assessed to ensure the quality of the measurement instruments. Convergent validity was confirmed when factor loadings exceeded 0.70 and AVE values were above 0.50. Internal consistency reliability was established when Cronbach's alpha and Composite Reliability values exceeded 0.70 (Hair et al., 2019).

Discriminant validity was evaluated using the Fornell-Larcker criterion and cross-loading analysis to ensure that each construct was distinct from other constructs in the model. The high reliability values indicate strong internal consistency among closely related indicators, reflecting the robustness of the measurement instruments used in this study.

RESULT AND DISCUSSION

Respondent Characteristics

Based on 250 respondents, most MSME owners were female (56.8%). The majority were aged between 31 and 45 years (48.0%) and held a bachelor's degree (62.4%). In terms of business experience, most respondents had operated their businesses for 3–5 years (42.8%). Furthermore, 68.8% of respondents had asset values below IDR 50 million, indicating that most businesses were classified as micro and small enterprises. Regarding digital adoption, 94.4% of respondents used digital payment systems, and 72.8% utilized fintech lending services.

Table 1. Respondent Characteristic

Category	Classification	Frequency (n=250)	Percentage (%)
Gender	Male	108	43.2
	Female	142	56.8
Age	<30 years	54	21.6
	31– 45 years	120	48.0
	>45 years	76	30.4
Education	Senior High School	43	17.2
	Diploma	51	20.4
	Bachelor's Degree	156	62.4
Business Experience	< 3 years	60	24.0
	3–5 years	107	42.8
	>5 years	83	33.2
Asset Value	<IDR 50 million	172	68.8
	50-500 million	78	31.2
Use of Digital Payment	Yes	236	94.4
	No	14	5.6
Use of Fintech Lending	Yes	182	72.8
	No	68	27.2

Source: Processed Data (2025)

Table 2. Validity and Reliability Test

Variable	Item	Factor Loading	Cronbach's alpha	Composite Reliability	AVE
Digital Transformation	DT1	0.950	0.978	0.978	0.919
	DT2	0.964			
	DT3	0.972			
	DT4	0.948			
	DT5	0.959			
Fintech Utilization	FU1	0.880	0.857	0.875	0.637
	FU2	0.825			
	FU3	0.793			
	FU4	0.763			
	FU5	0.720			
Digital Financial Literacy	DFL1	0.938	0.955	0.955	0.847
	DFL2	0.911			
	DFL3	0.914			
	DFL4	0.921			
	DFL5	0.918			
Financial Sustainability	FS1	0.842	0.943	0.945	0.816
	FS2	0.904			
	FS3	0.950			
	FS4	0.886			
	FS5	0.931			

Source: Processed Data (2025)

Validity Test

The validity of the measurement model was assessed using factor loadings and Average Variance Extracted (AVE), as presented in Table 2. The results indicate that all indicators had factor loadings above 0.70, demonstrating strong convergent validity. In addition, the AVE values ranged from 0.637 to 0.919, exceeding the minimum recommended threshold of 0.50. These findings confirm that the constructs adequately represent their respective latent variables and meet the criteria for convergent validity.

Reliability Test

The reliability of the measurement model was evaluated using Cronbach's alpha and Composite Reliability (CR). The results show that all constructs demonstrated satisfactory internal consistency, with Cronbach's alpha and CR values exceeding the recommended threshold of 0.70. Specifically, digital transformation exhibited very strong reliability ($\alpha=0.978$; $CR=0.978$), followed by fintech utilization ($\alpha=0.857$; $CR=0.875$), digital financial literacy ($\alpha=0.955$; $CR=0.955$), and financial sustainability ($\alpha=0.943$; $CR=0.945$). These results indicate that the measurement instruments are reliable and suitable for further structural model analysis.

Structural Model Evaluation

The structural model was evaluated by examining the coefficient of determination (R^2) and path coefficients to assess the explanatory power and predictive accuracy of the proposed model. As presented in Table 3, the R^2 value for digital financial literacy was 0.842, indicating that 84.2% of its variance was explained by digital transformation and fintech utilization. This result suggests that these two variables play a substantial role in shaping the level of digital financial literacy among culinary MSME owners.

Meanwhile, the R^2 value for financial sustainability was 0.814, indicating that 81.4% of its variance was jointly explained by digital transformation, fintech utilization, and digital financial literacy. This finding demonstrates that the proposed model effectively captures the key determinants of financial sustainability in the culinary MSME sector.

According to Hair et al. (2019), R^2 values above 0.75 indicate substantial explanatory power. Therefore, the high R^2 values obtained in this study confirm that the structural model demonstrates strong predictive capability and robustness. Overall, these results indicate that the proposed model is well-specified and suitable for explaining the relationships among the research variables.

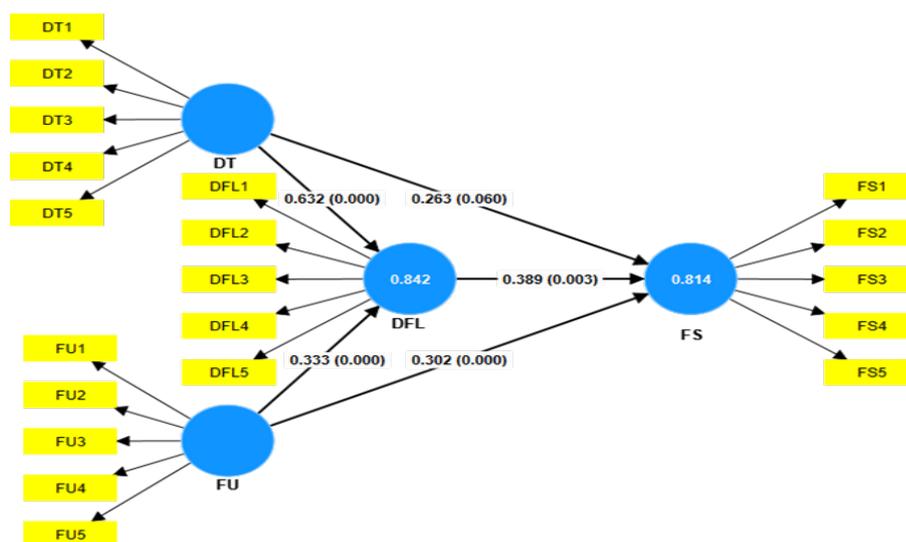


Figure 1. The Result of Full Model Analysis

Source: Authors (2025)

Table 3. R-Square and R-Square Adjusted

Variables	R-Square	R-Square Adjusted
DFL (Digital Financial Literacy)	0.842	0.840
FS (Financial Sustainability)	0.814	0.812

Source: Processed Data (2025)

Table 4. Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficient (β)	p-value	Result
H1	Digital Transformation \rightarrow Financial Sustainability	0.263	0.060	Not Supported
H2	Fintech Utilization \rightarrow Financial Sustainability	0.302	0.000	Supported
H3	Digital Transformation \rightarrow Digital Financial Literacy	0.632	0.000	Supported
H4	Fintech Utilization \rightarrow Digital Financial Literacy	0.333	0.000	Supported
H5	Digital Financial Literacy \rightarrow Financial Sustainability	0.389	0.003	Supported

Source: Processed Data (2025)

Hypothesis Testing Results

The results of hypothesis testing are presented in Table 4. Digital transformation does not have a significant direct effect on financial sustainability ($\alpha=0.263$; $p=0.060$); therefore, H1 is not supported. However, fintech utilization has a significant positive effect on financial sustainability ($\alpha=0.302$; $p<0.001$), supporting H2.

Furthermore, digital transformation and fintech utilization significantly influence digital financial literacy, supporting H3 and H4. Digital financial literacy also has a significant positive effect on financial sustainability ($\alpha=0.389$; $p=0.003$), confirming its mediating role and supporting H5.

Although the p-value for H1 is close to the conventional 0.05 threshold, the relationship remains statistically insignificant, indicating that digital transformation primarily affects financial sustainability through indirect mechanisms.

Digital Transformation and Financial Sustainability

The findings indicate that digital transformation does not have a significant direct effect on the financial sustainability of culinary MSMEs. This suggests that technology adoption alone is insufficient to improve financial performance without adequate managerial and financial capabilities. From the perspectives of the Resource-Based View and Dynamic Capability Theory, digital technology generates competitive advantage only when supported by complementary organizational capabilities (Barney, 1991; Teece, 2018).

In practice, many culinary MSME owners adopt digital platforms mainly for transactional purposes rather than strategic financial management. Consequently, digital transformation has not been optimally utilized to improve cost efficiency, revenue planning, and long-term financial stability. This finding is consistent with

previous studies (Indriastuti & Kartika, 2022; Imjai et al., 2025).

Fintech Utilization and Financial Sustainability

Fintech utilization was found to have a significant positive effect on financial sustainability. This result supports Financial Intermediation Theory and the Technology Acceptance Model, which emphasize the role of digital financial services in improving access to capital and transaction efficiency (Davis, 1989; Gomber et al., 2017).

In culinary MSMEs, fintech facilitates faster payments, transparent transaction records, and improved access to working capital. These advantages enable entrepreneurs to manage cash flow more effectively and reduce dependence on informal financing sources. This finding is consistent with previous empirical studies (Hmoud et al., 2025; Martin et al., 2025).

Digital Transformation, Fintech Utilization, and Digital Financial Literacy

The results confirm that both digital transformation and fintech utilization significantly enhance digital financial literacy. These findings support Experiential Learning Theory and Social Cognitive Theory, which emphasize learning through interaction and practice (Bandura, 1986; Kolb, 2006).

Through continuous engagement with digital platforms, MSME owners gradually develop financial knowledge, technical skills, and confidence in managing digital financial services. This result is consistent with previous studies (Morgan & Trinh, 2020; Imjai et al., 2025).

The Mediating Role of Digital Financial Literacy

The findings indicate that digital financial literacy plays a significant mediating role in the relationship between digital transformation, fintech utilization, and financial sustainability. This supports the

Knowledge-Based View and Financial Literacy Theory, which highlight knowledge as a key determinant of organizational performance (Grant, 1996; Lusardi & Mitchell, 2014).

Digital financial literacy enables entrepreneurs to interpret financial information, manage digital risks, and optimize technological tools for business development. Without sufficient literacy, technological adoption may not generate optimal financial benefits.

CONCLUSION AND RECOMMENDATION

This study concludes that fintech utilization has a significant positive effect on the financial sustainability of culinary MSMEs, while digital transformation does not directly influence financial sustainability but contributes indirectly through digital financial literacy. These findings indicate that technological adoption alone is insufficient to improve business performance without adequate financial knowledge and digital competencies.

Digital financial literacy plays a crucial mediating role in enabling MSME owners to effectively manage digital financial tools, control cash flow, reduce financial risks, and make informed business decisions.

Theoretically, this study contributes to digital transformation and financial literacy literature by proposing an integrated framework that positions digital financial literacy as a central mechanism linking technology adoption and financial sustainability. This framework extends the Resource-Based View and Dynamic Capability Theory by emphasizing the role of cognitive and financial capabilities in transforming digital resources into sustainable performance.

Practically, the findings suggest that policymakers and MSME development institutions should prioritize integrated digital and financial literacy programs.

Fintech providers are encouraged to offer user-friendly platforms and continuous guidance for MSME users. Culinary MSME owners are also advised to actively enhance their digital and financial skills through continuous learning.

Future research is recommended to test this framework in different sectors and regions, apply longitudinal designs to capture dynamic effects over time, and incorporate moderating variables such as entrepreneurial orientation, innovation capability, and institutional support.

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